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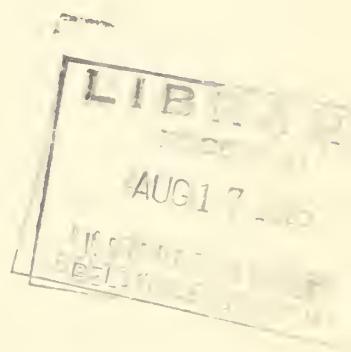
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U.S. AGRICULTURAL EXPORTS IN FISCAL YEAR 1964-65 TOTALED A RECORD
\$6.1 BILLION, FOR SECOND CONSECUTIVE YEAR

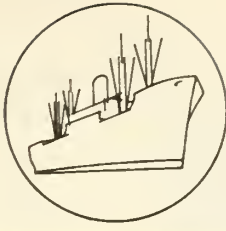
By

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SPECIAL in this issue

U.S. AGRICULTURAL EXPORTS IN FISCAL YEAR 1964-65 TOTALED A RECORD
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U.S. agricultural exports totaled a record \$6,096 million in fiscal year 1964-65 compared with the \$6,067 million a year earlier (table 1). The export picture in 1964-65 was dominated by a substantial rise in U.S. exports of corn, soybeans, cottonseed and soybean oils, oilcake and meal, inedible tallow, hides and skins, and dairy products. However, these gains were about offset by declines in wheat and flour, cotton, tobacco, vegetables, meats and products, poultry meat, and rye. Export records were established for corn, grain sorghums, soybeans, inedible tallow and greases, variety meats, hides and skins, oilcake and meal, and soybean oil (figures 1 and 2).

Commercial sales for dollars, accounting for about three-fourths of the total, amounted to \$4.4 billion, while exports under Government-financed programs totaled an estimated \$1.7 billion.

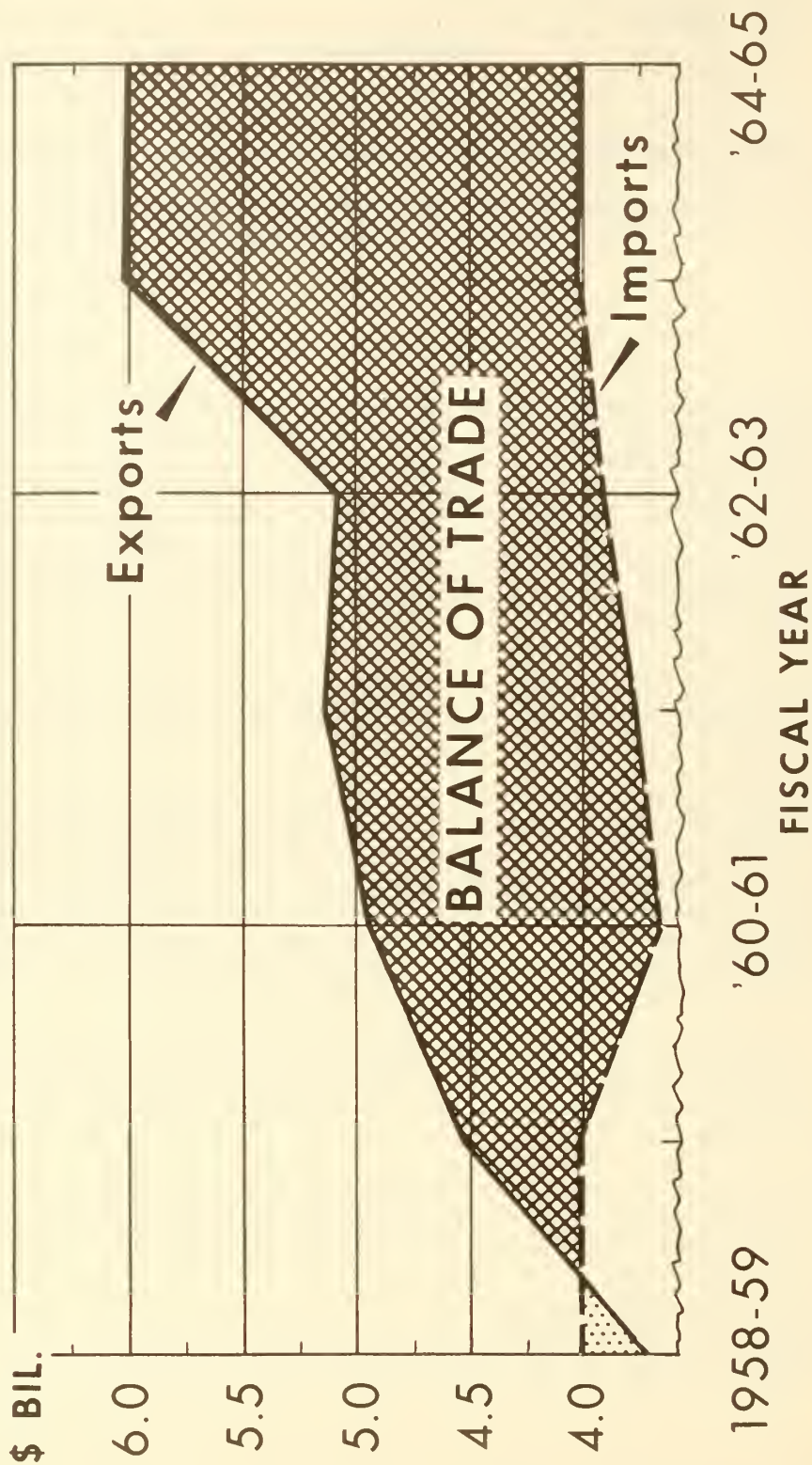
The continued record level of U.S. agricultural exports is attributed to developments both in the United States and in the major foreign markets. On the foreign side is a brisk demand for a number of agricultural products, especially feed grains and soybeans for livestock feed. Livestock production in Western Europe and Japan has gained sharply in recent years as higher incomes in the industrialized countries have strengthened the demand for meat. Continued economic growth in these principal dollar markets has contributed to the rise in exports of dairy products, hides and skins, and fruits and preparations.

Foreign competition in 1964-65 was especially strong for cotton, tobacco, and wheat. Competition from synthetic fibers weakened the foreign demand for U.S. cotton as the share of man-made fibers in textile production in Western Europe and Japan increased.

For most commodities, the United States had abundant supplies available for export at relatively low prices. For commodities whose domestic prices were higher than world prices, export payments enabled U.S. exporters to compete with other major world suppliers.

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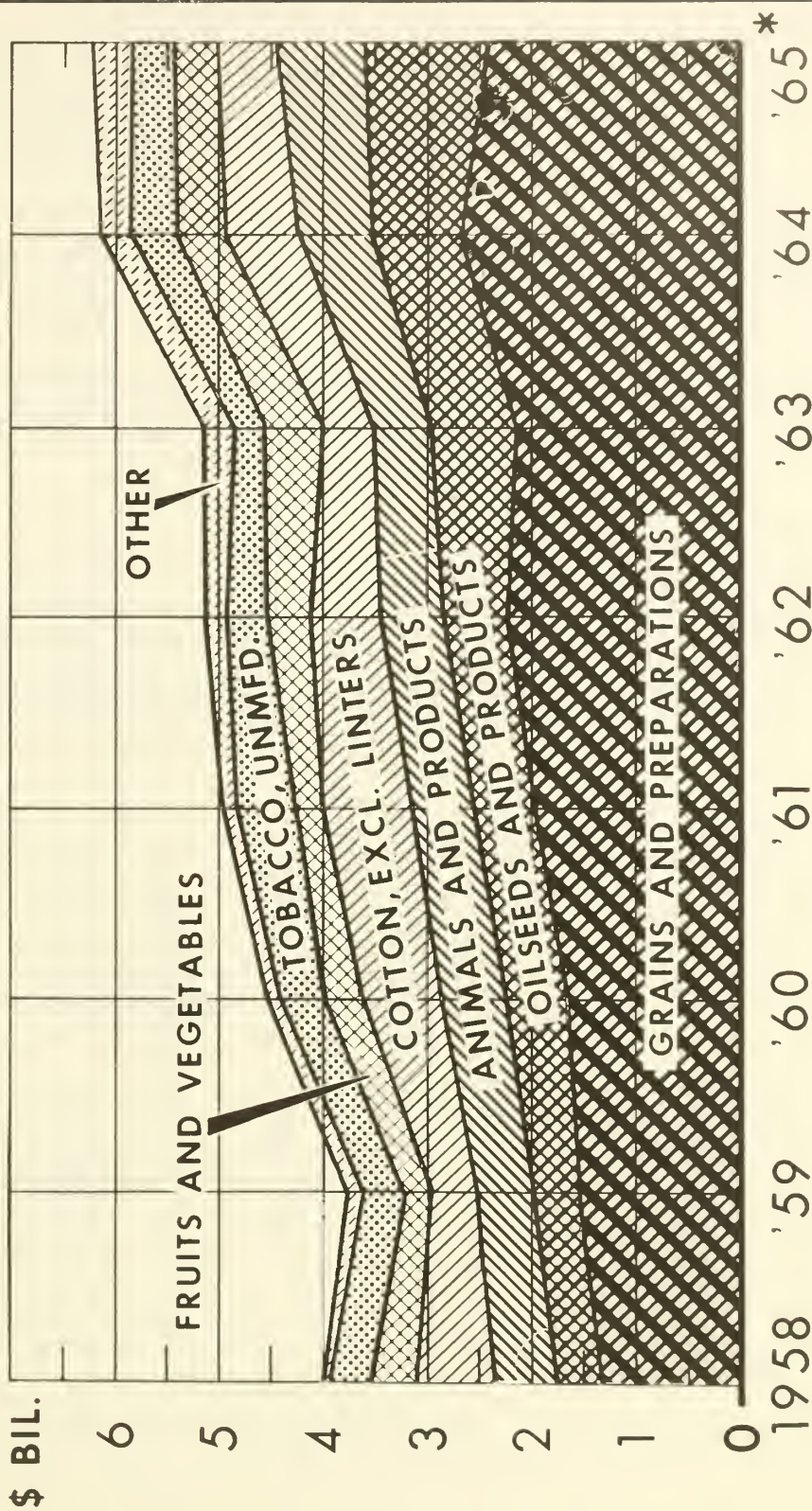
U. S. AGRICULTURAL EXPORTS AND IMPORTS



1964-65 PARTLY ESTIMATED.

U. S. AGRICULTURAL EXPORTS

By Commodity Groups



FISCAL YEARS.

* PRELIMINARY.

Table 1.--U.S. agricultural exports: Value by commodity,
fiscal years 1963-64 and 1964-65

Commodity	1963-64	1964-65 <u>1/</u>	Change
	<u>-- Million dollars --</u>		<u>Percent</u>
Animals and animal products:			
Dairy products <u>2/</u>	203	216	+6
Fats, oils, and greases	215	244	+13
Hides and skins	82	100	+22
Meats and meat products	118	110	-7
Poultry products	78	67	-14
Other	77	71	-8
Total animals, etc. <u>2/</u>	773	808	+5
Cotton, excluding linters	670	584	-13
Fruits and preparations	274	289	+5
Grains and preparations:			
Feed grains, excluding products ..	818	940	+15
Rice, milled	214	203	-5
Wheat and flour	1,518	1,239	-18
Other	66	65	-2
Total grains, etc.	2,616	2,447	-6
Oilseeds and products:			
Cottonseed and soybean oils <u>3/</u> ...	159	257	+62
Soybeans	509	598	+17
Protein meal	112	178	+59
Other	62	82	+32
Total oilseeds, etc. <u>3/</u>	842	1,115	+32
Tobacco, unmanufactured	421	395	-6
Vegetables and preparations	164	154	-6
Other	307	304	-1
Total exports	6,067	6,096	---

1/ Preliminary.

2/ Prior to January 1, 1965 excludes Title III, P.L. 480 donations of butter and ghee, which are included in "Other" agricultural exports.

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Of the \$6,096 million of U.S. agricultural exports in 1964-65, an estimated \$2.1 billion benefited from export payments assistance; \$1.0 billion as sales for dollars, and \$1.1 billion moving under Government-financed programs.

Export assistance, in the form of export payments and sales below domestic prices, is estimated at \$500 million. This amount is not included in the value of agricultural exports. The decline in exports of wheat and cotton, together with lower export payment rates for most commodities, reduced 1964-65 export payments 40 percent below a year earlier.

In addition, the United States developed a vigorous promotion program in many important foreign markets, where product demonstrations, trade fairs, trade centers, technical assistance, and close attention to various problems improved access to these markets.

An estimated 71 million U.S. acres were required to produce the various quantities of agricultural commodities exported in fiscal 1964-65. This is equivalent to 1 out of every 4 harvested acres in the United States. On a value basis, agricultural exports represented 17 percent of total cash receipts from U.S. farm marketings.

Japan remained the leading foreign market for U.S. agricultural exports in 1964-65. Exports to Japan rose to a record \$750 million compared with \$742 million in the previous year. Exports to Japan accounted for 12 percent of U.S. agricultural exports in 1964-65. India became the second leading outlet for U.S. agricultural products, mainly for foodstuffs under Government-financed programs to meet India's unusually severe food deficit because of its unfavorable 1964 crop harvest. Other top market outlets were Canada, Netherlands, United Kingdom, West Germany, and Italy.

Animals and animal products.--Exports of animal and animal products, totaling \$808 million, increased by 5 percent in fiscal year 1964-65 over the previous year. The improvement resulted from value gains in exports of inedible tallow, hides and skins, and dairy products. Exports of poultry meat, meats and products, and lard were somewhat below year-earlier levels. Dairy products rose to \$216 million in 1964-65 from \$203 million a year earlier. Most of the gain occurred in July-December, when there were large exports of CCC butter to Western Europe. Exports of dairy products under Government-financed programs continued to represent a large proportion, although the volume of some items was substantially reduced.

Exports of meats and meat products remained strong in fiscal year 1964-65, although slightly below the level of a year earlier when Western Europe, Japan, and Canada imported large quantities of fresh pork. This year, however, more U.S. beef went to Europe to improve its continued limited supply which was inadequate to meet the increased demand for beef. Exports of beef rose to 57 million pounds in 1964-65 from 36 million a year ago, while exports of pork fell to 65 million from 162 million in 1963-64. Exports of variety meats, totaling 226 million pounds, achieved a record in fiscal year 1965. The high rate of slaughter in the United States and attractive prices were principal reasons for record levels of variety meats exports to the EEC area.

Exports of hides and skins advanced to 18.1 million pieces from 15.4 million a year earlier. Large U.S. supplies at relatively low prices and some drop in

foreign production encouraged U.S. exports. Production of cattle hides in Argentina, a principal supplier, fell by about 30 percent in the past year.

Exports of tallow totaled 2.1 billion pounds in 1964-65, slightly above a year earlier. However, value increased to \$176 million from \$130 million, reflecting a price rise associated with limited world production and increased demand for all fats and oils. The principal markets for U.S. tallow in 1964-65 were Japan, USSR, Italy, the Netherlands, Poland, Spain, and the United Kingdom. About 85 percent of U.S. tallow exports was used for manufacturing soap. In recent years, there has been a substantial demand for U.S. tallow in Western Europe and Japan by the feed industry for use as a high-energy concentrate.

Exports of poultry products fell to \$67 million in fiscal 1964-65 from \$78 million in 1963-64. Exports of poultry products continued to be hampered by the trade-restrictive effects of EEC variable levies. Exports of poultry products to the EEC totaled \$31 million in 1964-65 compared with \$36 million a year earlier. In addition, competition in other world markets has increased sharply; production has risen markedly in other major producing countries. The market restrictions of the EEC has diverted shipments to other countries, causing strong competition and general oversupply in many major markets.

Cotton.--Exports of cotton excluding linters totaled 4.5 million bales in fiscal year 1964-65, down appreciably from the 5.1 million in the previous fiscal year. The reduction was due to increased competition from record production in foreign free-world countries, near record production in Communist countries, and a working down of stocks in importing countries. In addition, man-made fibers continue to gain in the share of textile production in a number of major textile manufacturing countries. In fiscal 1964-65, about three-fourths of U.S. cotton exports represented commercial sales for dollars, mainly to the EEC, Japan, Canada, and the United Kingdom. The remaining one-fourth reflects shipments under Government-financed programs to countries such as India, Korea, Yugoslavia, and Poland.

Grains and preparations.--Exports of grains and preparations fell to \$2,447 million in fiscal 1964-65 from \$2,616 million in the previous year. The decline reflects reduced wheat exports from the unusually high level of 1963-64 when Western Europe and the Soviet Union imported substantial quantities of U.S. wheat because of poor harvests. Exports of wheat and flour totaled 715 million bushels in 1964-65 compared with 848 million in the previous year. This year, a considerable part of U.S. wheat exports was destined to the newly developing countries, especially India. The principal foreign outlets for U.S. wheat were India, Brazil, Egypt, Yugoslavia, Turkey, and Taiwan. Significantly lower shipments were reported for EEC, Poland, United Kingdom, Korea, and Japan. The USSR, third best U.S. wheat customer in 1963-64 with purchases of 65 million bushels, dropped out of the U.S. market in 1964-65.

Rice.--Exports of milled rice totaled 28.5 million bags in fiscal 1964-65 compared with 31.2 million in 1963-64. There were substantial increases in exports to Japan, Philippines, Jamaica, and Poland while exports fell to Indonesia, India, USSR, and EEC. In fiscal 1963-64, commercial sales for dollars accounted for approximately two-thirds of U.S. rice exports.

Feed grains.--Exports of feed grains rose to a record of 18.1 million metric tons, breaking the previous fiscal year high of 16.2 million. The rapid rise in

livestock production in Western Europe and Japan increased the feed grains demand. The lower hay and pasture yields in Western Europe in the past year encouraged larger imports. The principal markets for U.S. feed grains were Japan, the Netherlands, Italy, United Kingdom, and West Germany. Exports of feed grains to the EEC were 30 percent above the previous year and accounted for over two-fifths of total U.S. feed grain exports. Exports to Japan, up 22 percent, amounted to about one-fifth of the total. Most of U.S. exports to EEC is used in manufacturing mixed feeds. Poultry feed makes up about 41 percent of the EEC production of mixed feeds, hog feed 32 percent, and cattle feed 25 percent.

In 1964-65, the United States again accounted for about one-half of world feed grain exports.

Fruits and preparations.--Exports of fruits and preparations totaled \$289 million compared with the previous year's \$274 million. Increases were noted for exports of canned fruits, principally fruit cocktail, prunes, fresh apples, grapes, and pears. Declines occurred for exports of grapefruit, orange juice, frozen fruits, and lemons and limes. Exports of most fruit items were stimulated by larger U.S. production. In addition, a continued rise in consumer incomes in industrial countries of Western Europe and Japan also stimulated U.S. exports of fruits and preparations.

Oilseeds and products.--Exports of oilseeds and products rose to a record \$1,115 million in fiscal year 1964-65 from \$842 million a year earlier. This was the sixth consecutive year that record exports were achieved for this commodity group. The increase included all major commodities, particularly soybeans, edible vegetable oils, and protein meal. The rapidly expanding livestock industry in Western Europe and Japan has developed a strong demand for U.S. oilseeds and products. Also, U.S. soybeans and vegetable oil exports have been encouraged this year, because of reduced olive oil production in the Mediterranean Basin and the upward trend in consumption of vegetable oils in foreign countries. In recent years, foreign production has not kept pace with the increased demand for vegetable oils and products. The growth in world population increases demand for fats and oils by over 2 percent per year. In addition, demand is further stimulated by the industrialization and economic growth in the developing countries. A substantial part of the increase in world consumption has been met by larger U.S. production and exports.

Exports of soybeans advanced to 209 million bushels in fiscal year 1964-65 from 188 million in the previous year. Substantial increases took place for Canada, Denmark, United Kingdom, Spain, Taiwan, and the Netherlands. Declines were noted for Israel, Japan, West Germany, and Italy. The substantial gain in demand for protein meal has encouraged most foreign importers to increase purchases of soybeans as well as oilcake and meal. Japan was the top foreign market for U.S. soybeans in 1964-65, taking 47 million bushels. Other leading outlets were Canada, Netherlands, and West Germany.

U.S. exports of cottonseed and soybean oils advanced to 2 billion pounds in fiscal 1964-65 from 1.5 billion a year earlier. Substantial increases reflected larger exports under Government-financed programs as well as commercial sales for dollars. The reduced olive oil production in the Mediterranean Basin resulted in larger exports of cottonseed and soybean oils to Western Europe in the past fiscal year. Commercial sales for dollars accounted for about two-fifths

of U.S. vegetable oil exports in 1964-65, while Government-financed programs made up the remainder.

Exports of oilcake and meal advanced to 2.3 million short tons in fiscal 1964-65 from 1.4 million a year earlier. This represented a two-thirds increase over the level of a year earlier. This substantial rise reflects the rapid increase in livestock production in West Europe. In addition, farmers in Europe and Japan have increasingly emphasized greater efficiency in the production of meat, milk, and poultry products. Moreover, more protein meal was used in the past fiscal year because of smaller forage production within some major consuming areas. The top foreign outlets for U.S. oilcake and meal were the Netherlands, West Germany, Denmark, France, Belgium-Luxembourg, Italy, and Yugoslavia. Soybean meal totaled 2.1 million tons, accounting for over 90 percent of the total.

Tobacco.--U.S. exports of unmanufactured tobacco totaled 480 million pounds in fiscal year 1964-65 compared with 532 million a year earlier. U.S. tobacco exports in the past fiscal year faced strong competition from Rhodesia, where flue-cured production in 1964 increased 60 percent over 1963 and prices were down substantially. The decline in exports of unmanufactured tobacco was primarily accounted for by flue-cured. Exports of burley, and dark-fired Kentucky and Tennessee increased slightly. Most of the decline occurred in exports to Japan, Australia, the Netherlands, Belgium-Luxembourg, West Germany, United Kingdom, and Ireland. Leading markets for U.S. tobacco continued to be the United Kingdom, West Germany, the Netherlands, Japan, and Sweden.

Vegetables and preparations.--U.S. exports of vegetables and preparations decreased to \$154 million in fiscal year 1964-65 from \$164 million in 1963-64. The decline was due to smaller exports of dry edible beans. Dry edible beans declined to 312 million pounds from 415 million a year earlier. U.S. production of dry edible beans was down considerably in 1964, and quality was not as good as in the previous years. In addition to dry edible beans, there were also some declines in frozen vegetables. Increases were noted for exports of fresh potatoes, tomatoes, and vegetable seasonings. Limited supplies and somewhat higher prices for many items were among the main reasons for the low level exports of vegetables and preparations.